

SENATE BILL 1152
By Fowler

AN ACT to amend Tennessee Code Annotated, Title 66,
Chapter 5, relative to residential property
disclosures.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE: ,

SECTION 1. Tennessee Code Annotated, Section 66-5-201, is amended by designating the existing language as subsection (a), and by deleting the period at the end of the third sentence, and adding the language "except as provided by subsection (b).".

SECTION 2. Tennessee Code Annotated, Section 66-5-201, is further amended by adding the following language as a new subsection (b).

(b)

(1) As used in this subsection, a "relocation company" is a company that purchases homes from sellers with the intention of assisting such sellers in moving by purchasing and reselling the home.

(2) If the disclosure statement is completed by the seller with the full knowledge that the seller's home is being purchased by a relocation company for resale, then such seller is not discharged from any liability under this part with respect to a subsequent buyer from the relocation company.

(3) If:

(A) The person selling the home to the relocation company retains any financial interest or obtains a financial benefit in the future sale of the home by the relocation company; and

(B) The relocation company uses the seller's disclosure statement to entice a buyer to purchase the home of such seller;

then the relocation company is vicariously liable for any negligent or dishonest information on the disclosure statement completed by the person selling the home to the relocation company.

SECTION 3. This act shall take effect July 1, 2005, the public welfare requiring it.